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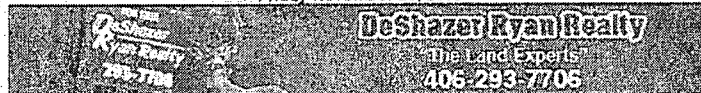
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Friday November 20, 2009



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## Discord over 2002 deal: Councilmember files complaint

Posted: Thursday, Nov 19, 2009 - 12:28:55 pm MST

By Canda Harbaugh, The Western News

Libby city councilmember D.C. Orr continues to allege wrongdoing concerning a deal seven years ago between the City of Libby, the Environmental Protection Agency and W.R. Grace and Co. concerning asbestos-contaminated buildings that were demolished on the former export plant property.

A 2002 complaint with EPA's Office of the Inspector General, a division that reviews allegations of waste, fraud and abuse, yielded no results, so Orr filed another complaint Monday, seven years later, with the division.

"Paul Peronard (former EPA on-site coordinator) announced that he initiated an internal audit to look into my complaints in 2002," Orr said. "What Paul Peronard did was he framed the debate in issues that weren't pertinent."

Orr turned in his own four-page complaint this week to the OIG that he said is supported by more than 30 pages of historical documentation.

He stated that the results of his original complaint should have been made public, but the OIG says his claims were without merit.

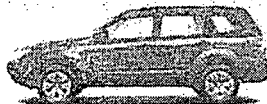
"Regarding Mr. Orr's 2002 complaint, we conducted a preliminary investigation and found that the allegations were unfounded and determined no additional action was warranted, so we closed out the complaint," said John Manibusan of the OIG, located in Washington D.C. "We notified Mr. Orr in December 2004 of our determination."

Orr, a long-time critic of the EPA and Libby city officials, maintains that the city was cheated out of \$2 million, an amount once offered by Grace for the property, when the city made a deal with EPA and Grace to allow the buildings to be torn down and, in exchange, a 10-inch water line installed on the property.

"Before I was appointed to the council," Orr said, "I wrote a letter to this council that there's still that \$2 million pot of gold at the end of the rainbow that I thought they should pursue. I think it had to do with me being appointed."



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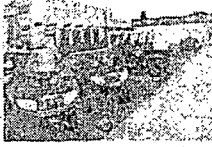
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Appointed last December and recently elected to the council, Orr routinely asked EPA officials why the city had not been reimbursed for the buildings. An article written by The Associated Press concerning Orr's \$2 million claim on the buildings recently circulated in newspapers throughout the state.

Grace had at one time offered to purchase the property, Berget said, but when he and the council approached the company with their attorney to make the exchange, Grace backed out. City council minutes from the July 6, 2000 meeting support Berget's claim.

Grace attorney Katheryn Jarvis Coggon stated at the 2000 meeting that Grace did at one time propose purchasing the property in hopes that the EPA would lighten the cleanup requirements.

"EPA has decided that cleanup must be done as per their guidelines," the minutes reported Coggon saying, "so at this time W.R. Grace is not interested in purchasing this property."

A tenant of the city-owned property, Millwork West, was moved to property owned by Berget and his family to allow the cleanup to take place. Grace spent \$250,000 erecting two buildings on the property to temporarily house the business. One building was to be taken down and the other to remain on his property in lieu of rent.

Orr accuses Berget, now a county commissioner, of corruption and conflict of interest for the arrangement. The city allowed Grace to tear down the buildings on the export plant property after two failed attempts to fully remove the asbestos, and Millwork West decided to stay at its "temporary" location. It eventually bought the 17-acre property from Berget.

Orr maintains that the demolished buildings were worth far more than a 10-inch water line and he alleges that there is a connection between that deal and Berget profiting from the arrangement with Millwork West.

"I have maintained for 10 years, Tony Berget stole those buildings," Orr said.


Berget offered a narrative dated September 2000 and signed by city council members, Grace and EPA officials, Millwork West's owner and others stating that the city and Grace pursued dozens of locations to temporarily relocate the business. The city eventually backed out of involvement, according to the narrative, and informed Grace and Millwork West that they would have to pursue private property to relocate the business.

"What is the chance of six councilmembers, the city attorney and the EPA all signing on and being part of this 'corruption' - why would they put their jobs on the line just for me to benefit?" Berget said. "How many people would have to be a part of this conspiracy? It's stupidity on his (Orr's) part."

Berget maintains that it was Millwork West and Grace that approached him about the property on Highway 2. The temporary site became permanent and Berget sold the property - with improvements by Grace - about three years ago. He denies Orr's claim that he profited \$1 million, pointing out that Millwork West did not pay rent, other than property taxes, the entire time.

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